

# **Making Home Affordable Data File User Guide**

*Version 2.0  
As of November 4, 2011*

## **Introduction**

In early 2009, President Obama announced the Making Home Affordable (MHA) Program to help families restructure or refinance their mortgages to avoid foreclosure. As part of this plan, the U.S. Department of the Treasury (Treasury) announced a national modification program for mortgages, the Home Affordable Modification Program (HAMP). Under HAMP, participating servicers apply a uniform loan modification process to provide a borrower with sustainable monthly payments, which reduces the risk of default and possible foreclosure. Subsequently, Treasury introduced additional programs under the MHA Program including the Home Affordable Foreclosure Alternative (HAFA), the Second Lien Modification Program (2MP), Treasury FHA-HAMP and RD-HAMP.

This user guide provides an overview of the lifecycle of the HAMP modification process, the Home Affordable Foreclosure Alternative (HAFA) process, the Second Lien Modification Program (2MP) and a presentation of data considerations when reviewing the Making Home Affordable Data File (Data File). Additional information about MHA policies and guidelines can be found at:

<http://www.treasury.gov/initiatives/financial-stability/housing-programs/mha/Pages/default.aspx> and <http://www.HMPadmin.com>.

## **Purpose of this User Guide**

This MHA Data File User Guide, used in conjunction with the MHA Data File Data Dictionary, is a reference source that is intended to:

- help interested constituents use and interpret the data provided in the Data File;
- promote understanding of the MHA Programs; and
- describe data quality observations and remediation efforts.

Terms used but not defined in this User Guide shall be as defined in the Making Home Affordable Program Handbook for Servicers of Non-GSE Mortgages, available at:

<https://www.hmpadmin.com/portal/programs/guidance.jsp>.

## **Purpose of the MHA Data File**

As part of Treasury's continued commitment to enhanced reporting and transparency, the Data File is made available to provide comprehensive data to researchers so that they may understand more fully the impact of the program. Treasury compiled the Data File from information provided by mortgage servicers participating in the program, while adhering to strict privacy laws designed to protect homeowners' privacy rights. The Data File will be updated monthly.

The Data File is located online at:

[http://www.treasury.gov/initiatives/financial-stability/results/Pages/mha\\_publicfile.aspx](http://www.treasury.gov/initiatives/financial-stability/results/Pages/mha_publicfile.aspx).

While this data is meant for responsible public use by interested parties, Treasury does not intend to provide validation of analysis to external parties.

This User Guide will be updated periodically as necessary. The most current available version is located online at:

[http://www.treasury.gov/initiatives/financial-stability/results/Pages/mha\\_publicfile.aspx](http://www.treasury.gov/initiatives/financial-stability/results/Pages/mha_publicfile.aspx).

## **MHA Data File Construct and Publication**

The Data File is available as a comma-separated value (“.csv”) file. The CSV format is generally convertible into and readable by almost all spreadsheets and database management systems.

The Data File will be produced on a monthly basis and consists of three sets: the First Lien Loan Modification Data Set, the Second Lien Modification Data Set and the Net Present Value (NPV) Data Set (each, a Data Set):

- **First Lien Loan Modification Data Set.** Each record in this Data Set represents the most current information, as reported by participating servicers to Fannie Mae as the HAMP Program Administrator on each first lien loan as it progresses through the stages of the modification process. This Data Set includes requests for modification that were not approved by servicers or not accepted by borrowers, trial modification setups, trial modification fallout, permanent modification setups, and permanent modification fallout. Also included in this data set are loans from other MHA programs such as Home Affordable Foreclosure Alternative (HAFA) and those government loans modified under Treasury FHA-HAMP or Rural Housing Service Home Affordable Modification Program (RD-HAMP).
- **Second Lien Loan Modification Data Set.** Each record in this data set represents the most current information, as reported by participating servicers to the Program Administrator, on second lien loan modifications and both partial and full second lien extinguishments. Trial data for 2MP modifications is not included as trial period plans are not mandatory and only those loans that have become permanent are reported to the Program Administrator.
- **Net Present Value Data Set.** Each record in this Data Set contains data inputs to, and results of, the NPV test performed by participating servicers at the point in time that the first lien loan was evaluated for the HAMP program. It is important to note that loans might not be evaluated for an NPV analysis if the loan fails to qualify for the program because of other reasons, such as an ineligible date of origination or the property is not owner-occupied. While each record in the NPV Data Set can be associated with a record in the First Lien Loan Modification Data Set, the converse is not the case. For those servicers that use Treasury’s NPV portal, we have assumed the last run on a related mortgage loan in the NPV portal is the one used in the evaluation. The NPV test is not

part of the eligibility criteria or evaluation process for 2MP, Treasury FHA-HAMP and RD-HAMP. Therefore, NPV data is not reported to the Program Administrator for these programs.

For the purposes of this disclosure, the First Lien Loan Modification Data Set, the Second Lien Modification Data Set and the NPV Data Set are further segregated into files sorted on one of the 10 possible reported Property Region Codes (as defined below). An additional file will be created for each data set for those loans which do not have a value for Property Region Code.

## **File Limitations**

### Privacy Considerations

The collection and use of the data contained in these files is subject to Federal privacy protection laws as well as restrictions in the MHA contracts with the servicers, which impact the overall content of the Data File. Treasury performed extensive analysis on compliance with these requirements, including the engagement of a third-party vendor to assist in the identification of potential risks to program participant privacy rights. Certain data attributes, such as social security number, borrower/co-borrower name and date of birth, have been excluded completely from this disclosure, while others, such as geographic location and exact number values, have been rounded or masked to protect individual participants.

### Geographical Limitations

The Data File masks property location to protect homeowner privacy. Based on volume and distribution of the modifications, the Data File limits geographic information to the related Metropolitan Statistical Area (MSA) or, in circumstances where the property does not reside in an MSA, or the property has not been geographically coded, the Data File provides the state code instead of MSA. Due to privacy considerations, it is not possible to provide loan-level information by zip code or Congressional district in this Data File.

### Property Region Codes

The First Lien Loan Modification Data Set, Second Lien Loan Modification Data Set and the Net Present Value Data Set are segregated into files sorted into ten geographical regions (Property Region Codes). Those codes are as follows:

<b>Property Region Code:</b>	<b>Localities Included:</b>
East North Central	IL, IN, MI, OH, WI
East South Central	AL, KY, MS, TN
Middle Atlantic	NJ, NY, PA
Mountain	AZ, CO, ID, MT, NM, NV, UT, WY
New England	CT, MA, ME, NH, RI, VT
Pacific	AK, CA, HI, OR, WA
South Atlantic	DC, DE, FL, GA, MD, NC, SC, VA, WV
US National	GU, PR, VI
West North Central	IA, KS, MN, MO, ND, NE, SD
West South Central	AR, LA, OK, TX

In addition, as described above, an additional file will be created for each Data Set for those loans which do not have a value for Property Region Code.

#### Servicer Name Limitations

The mortgage servicer for each loan is not specified in the Data File. The terms of the contracts with MHA-participating servicers, known as the servicer participation agreements (which are posted online at <http://www.treasury.gov/initiatives/financial-stability/housing-programs/mha/Pages/default.aspx>) restrict disclosure of loan-level servicer information. However, summary servicer performance information for the top servicers is provided in the MHA Servicer Performance Report, posted at <http://www.treasury.gov/initiatives/financial-stability/results/MHA-Reports/Pages/default.aspx>. In addition, comprehensive MHA data (including information by servicer) is provided to program oversight entities and certain regulatory agencies responsible for overseeing fair lending laws.

#### Government Monitoring Information

Applicants and homeowners in the MHA program are requested, but not required, to provide Government Monitoring Information (GMI) – that is, race and ethnicity information – as part of obtaining a modification under the MHA program. However, many homeowners choose not to provide GMI data.

#### Data Quality and Completeness Considerations

Treasury relies on participating servicers to report accurate and timely information on MHA participants and activity. The information contained in these files is data as reported by servicers. There are remaining issues in the quality and completeness of the data contained in these files given the staged rollout of the MHA program requirements and the fact that the file includes data for homeowners that were 1) denied a modification; and 2) did not complete the trial plan.

Treasury and its Program Administrator have from the program's inception worked to identify these inconsistencies in the reporting of data elements used to calculate program financial incentives. Beginning in the first quarter of 2010, strong data quality remediation efforts were implemented that focused on data related to incentive payments for permanent modifications. As part of this remediation effort, servicers were required to certify the data quality of the incentive-related data for permanent modifications reported to the Program Administrator. Treasury and its Program Administrator also continue to work aggressively with servicers on data quality monitoring and remediation activities related to non-compensation-related data for loans in all stages of the modification process. As the data quality efforts are ongoing through the life of the program, issues may continue to be seen in the data. The most notable of those issues that may impact analysis of this data, as well as production exclusions, are described in "Key Data Quality Themes" in Appendix A.

#### Collection and Reporting Date Limitations

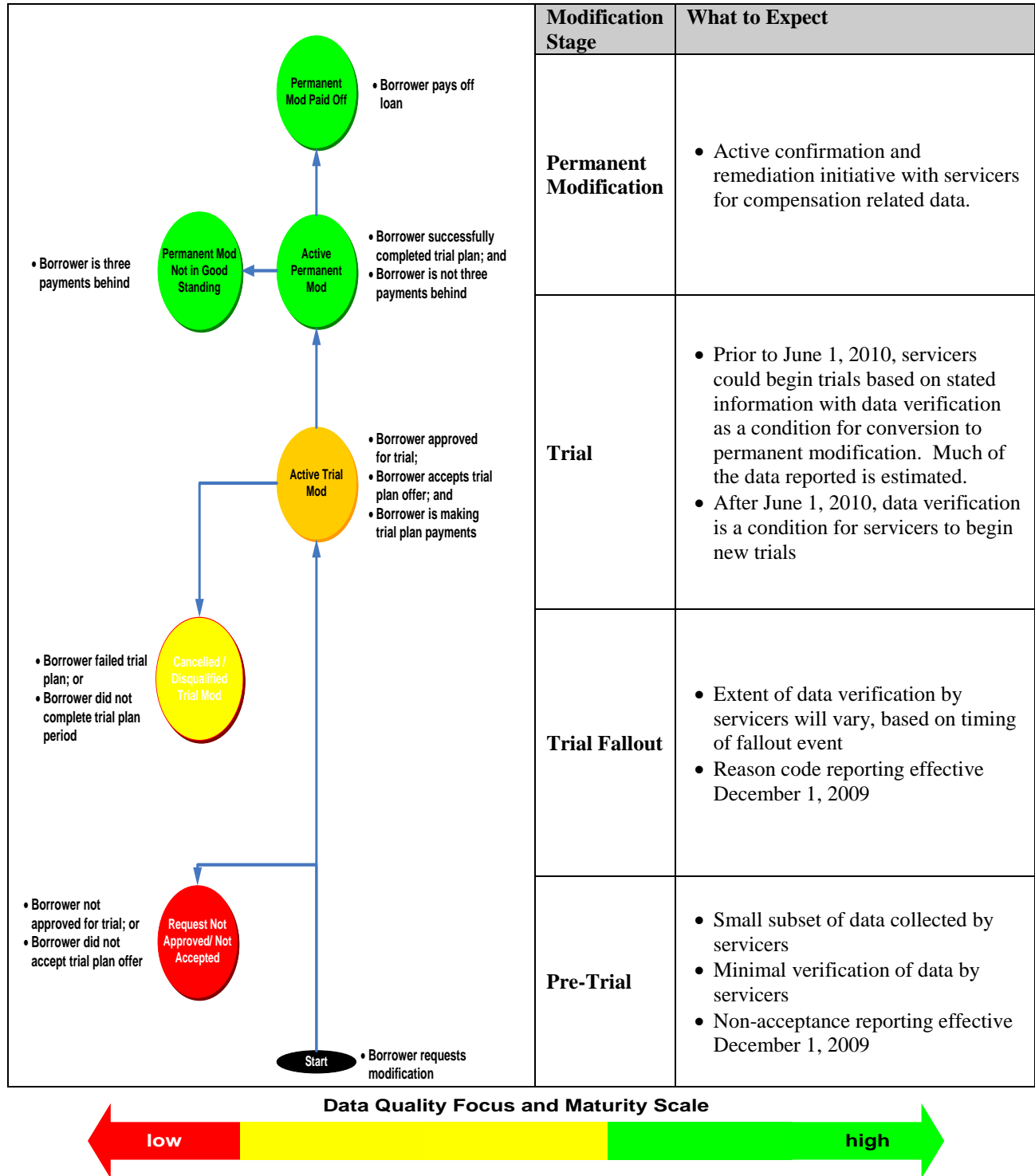
Treasury guidelines require servicers to report GMI, NPV, trial not accepted/not approved and trial fallout data only for evaluations, trials and modifications after December 1, 2009. Consequently, a substantial portion of the entries in the MHA Data File do not contain these data, particularly for modifications completed before December 1, 2009.

The aggregation of loan-level data provided in the Data File may not match exactly with data provided by Treasury in its Monthly Public Report or with other publicly available information due to the differences in reporting requirements.

## **Stages of the HAMP Loan Modification Process**

There are four major stages of a modification as depicted in Exhibit A – Life of a HAMP Loan. Data availability and quality vary through the stages of the loan modification process.

## Exhibit A – Life of a HAMP Loan





## Pre-Trial

A loan begins the Pre-Trial stage when a borrower requests a HAMP modification from his or her servicer. The servicer collects several types of data from the borrower including a “Request for Modification and Affidavit” (RMA) (as of December 1, 2011, re-titled “Request for Mortgage Assistance”) Form, which includes a hardship affidavit.

The servicer uses the collected information to ensure the borrower and the loan meet the following basic HAMP eligibility criteria:

- Demonstrated financial hardship;
- Delinquent or at risk of imminent default;
- First lien mortgage originated on or before January 1, 2009;
- Owner-occupant of a one-to-four unit property;
- Current unpaid principal balance that does not exceed \$729,750 on a one-unit property; \$934,200 on a two-unit property; \$1,129,250 on a three-unit property; and \$1,403,400 on a four-unit property;
- Borrower’s monthly mortgage payment (including principal, interest, taxes, insurance, and when applicable, association fees, existing escrow shortages) prior to the modification is greater than 31 percent of the borrower's verified monthly gross income; and
- Loan was not previously modified under HAMP.

Once a participating servicer verifies that the loan meets the HAMP eligibility criteria, a series of waterfall steps are applied as necessary to reduce the homeowner’s monthly mortgage payment to 31 percent of the homeowner’s gross (pre-tax) income, in the following order: (1) capitalization; (2) rate reduction to as low as two percent; (3) term extension up to 40 years; and (4) principal forbearance (and principal forgiveness, at the servicer’s option). This process is also known as the Standard Modification Waterfall.

Beginning in October 2010, servicers participating in the Principal Reduction Alternative program and evaluating mortgage loans with a mark-to-market LTV ratio greater than 115 percent were required to use both the standard modification waterfall and the alternative modification waterfall that includes principal reduction as the required second step in the waterfall. The primary purpose of completing the alternative modification waterfall analysis is to demonstrate whether reducing principal on a mortgage loan with a mark-to-market LTV ratio greater than 115 percent will produce a positive NPV result.

A standardized NPV test is then used to analyze the cost/benefit of the loan modification to the investor. A positive NPV result indicates that it is in the best interest of the investor to modify the mortgage to reduce the risk of foreclosure. A negative NPV result indicates that a modification may not be in the best interest of the investor as compared to a foreclosure (or another foreclosure alternative). A loan is not required to be modified with a negative NPV result, but a servicer may choose to modify a negative NPV loan, subject to investor guidelines.

Participating servicers are encouraged to use the standard NPV calculator provided by the Treasury on a secure web portal. Servicers do have the option of re-coding and using the Base NPV Model through a proprietary system following review and approval by Treasury's Compliance Agent for MHA, and following an approval process to ensure equivalency with Treasury's portal model. Loans that are evaluated and/or modified under Treasury FHA-HAMP or RD-HAMP are not subject to the standard NPV process.

If a homeowner is determined to be ineligible for HAMP, as of December 1, 2009, servicers are required to report the Trial Not Approved / Not Accepted to the Program Administrator and send the homeowner a Non-Approval Notice.

### Trial Fallout

Appendix B lists the potential reasons that a borrower may not complete a TPP. If a borrower fails to complete the TPP, the participating servicer is required to report the reason to the Program Administrator. It should be noted that the reasons for trial failures that occurred prior to December 1, 2009 were reported only at the discretion of the participating servicers. Those reason codes may not appear in the Data File. Also, certain reasons may preclude a loan from being reconsidered for a HAMP modification in the future, and would result in a disqualified trial.

### Trial Period Plan

Once a homeowner is determined to be eligible, the servicer will offer a three to four month trial period plan (TPP). The homeowner must make the new, reduced monthly mortgage payments on time and in full, during the trial period to demonstrate that the modified monthly payment will be sustainable. A loan is considered to be in a TPP after the first TPP payment is made to the servicer. In certain cases the TPP may exceed three months.

If the borrower is offered but does not accept the TPP, the participating servicer must send the borrower a Non-Approval Notice stating that the HAMP offer was not accepted. The servicer is required to report any non-acceptances that occurred on or after December 1, 2009, to the Program Administrator. Non-acceptances that occurred prior to December 1, 2009, were reported at servicer discretion and are included in the Data File only if reported by the servicer.

Participating servicers are required to report trial setup data to the Program Administrator. Prior to June 1, 2010, servicers were permitted to offer TPPs based on stated information with documentation to be provided, and verification to be performed prior to conversion to a permanent modification (stated model). If the provided income documentation varied from the verbal information, a servicer would re-evaluate the borrower using the NPV test at the end of the TPP. Beginning June 1, 2010, receipt and verification of income and other documents are a condition for servicers to begin all new trials.

At the discretion of the servicer, borrowers in bankruptcy who are determined eligible for HAMP may be converted to a permanent modification without completing a TPP if:

- The borrower makes all post-petition payments on his or her first lien mortgage loan due prior to the effective date of the Home Affordable Modification Agreement, and at least three of those payments are equal to or greater than the proposed modified payment;
- The modification is approved by the bankruptcy court, if required; and
- The TPP waiver is permitted by the applicable investor guidelines.

Servicers are required to report the bankruptcy in lieu of trial payments, to the Program Administrator, on the trial set-up record using the appropriate Trial Plan Type Code.

### Permanent Modification

A borrower who is current under the terms of the TPP at the end of the trial period and who satisfies all other trial period requirements must be offered a permanent modification by the related servicer.

Participating servicers are required to report permanent modification setup data to the Program Administrator. The loan setup file reflects the status of the loan after the final trial period payment is applied. The setup file also contains data for the current reporting period, which will include the prior month's unpaid principal balance.

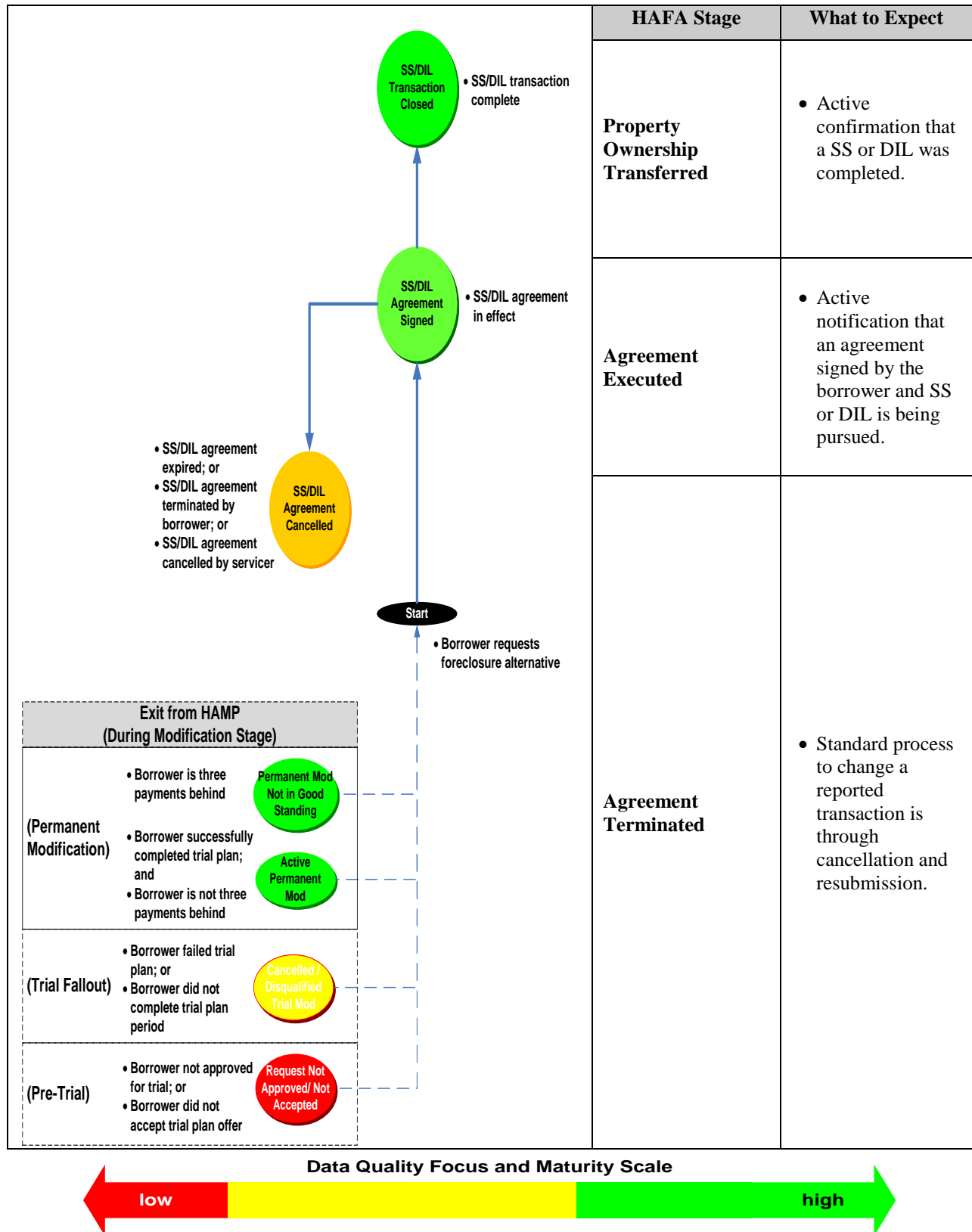
Participating servicers begin reporting monthly payment activity in the month after the reported permanent modification is effective. Servicers must continue to report payment activity about all such loans on a monthly basis thereafter as long as the loan remains in good standing under the Program.

## **Stages of the HAFA Process**

The Home Affordable Foreclosure Alternatives (HAFA) Program provides a borrower with the option of a short sale or a deed-in-lieu as an alternative to foreclosure on an eligible loan. Borrowers that meet the eligibility criteria for HAMP but who are not offered a TPP, do not successfully complete a TPP, are in an active permanent modification or defaulted on a permanent HAMP modification may be evaluated for HAFA. There are three major stages in the HAFA Process as depicted in Exhibit B – Life of a HAFA Loan.

Servicers participating in HAFA are required to report loan-level data to the Program Administrator at key milestones. Each of these milestones constitutes a separate data transmission.

## Exhibit B – Life of a HAFA Loan



### Agreement Executed

Servicers must report the notification loan-level data the month after a borrower and servicer have fully executed a signed agreement for a Short Sale Agreement (SSA) or Deed-In-Lieu (DIL). The notification must be submitted before a HAFA loan setup transaction can be processed. Because a borrower must have either been evaluated for HAMP or given the opportunity to be evaluated for HAMP, one of the following records must exist (matched by HAMP Servicer Number and Servicer Loan Number):

- A corresponding HAMP Additional Data Requirements data submission with an acceptable Trial Not Approved/Not Accepted Reason Code;
- A first lien TPP record that falls out of trial with an acceptable Trial Fallout Reason Code; or
- A first lien official modification that has not been paid off.

### Agreement Terminated

A HAFA Cancellation transaction is submitted in the month after the SSA or the DIL expires or when the SSA or DIL Agreement is terminated by the servicer.

A cancellation submission must include the cancellation reason code. The list of Short Sale or Deed-in-Lieu Cancellation Reason Codes that should be used by servicers is detailed in the MHA Data File Data Dictionary found at Appendix C. It should be noted that cancellations are also used as a means to correct data already reported to the Program Administrator. For loans requiring an update, a participating servicer must cancel the existing loan and resubmit the transaction using the correct data.

It should be noted that the current process for a loan undergoing a reporting transfer includes a loan cancellation by the transferor and a resubmission of the notification by the transferee. This could cause multiple instances of the same loan appearing in the data file.

### Property Ownership Transferred

A Short Sale or Deed-in-Lieu Loan Setup transaction is submitted to the Program Administrator the month after the property ownership is successfully transferred through an SSA or DIL. An active HAFA Notification record with a matching HAMP Servicer Number and Servicer Loan Number must exist.

## **Stages of the 2MP Loan Modification Process**

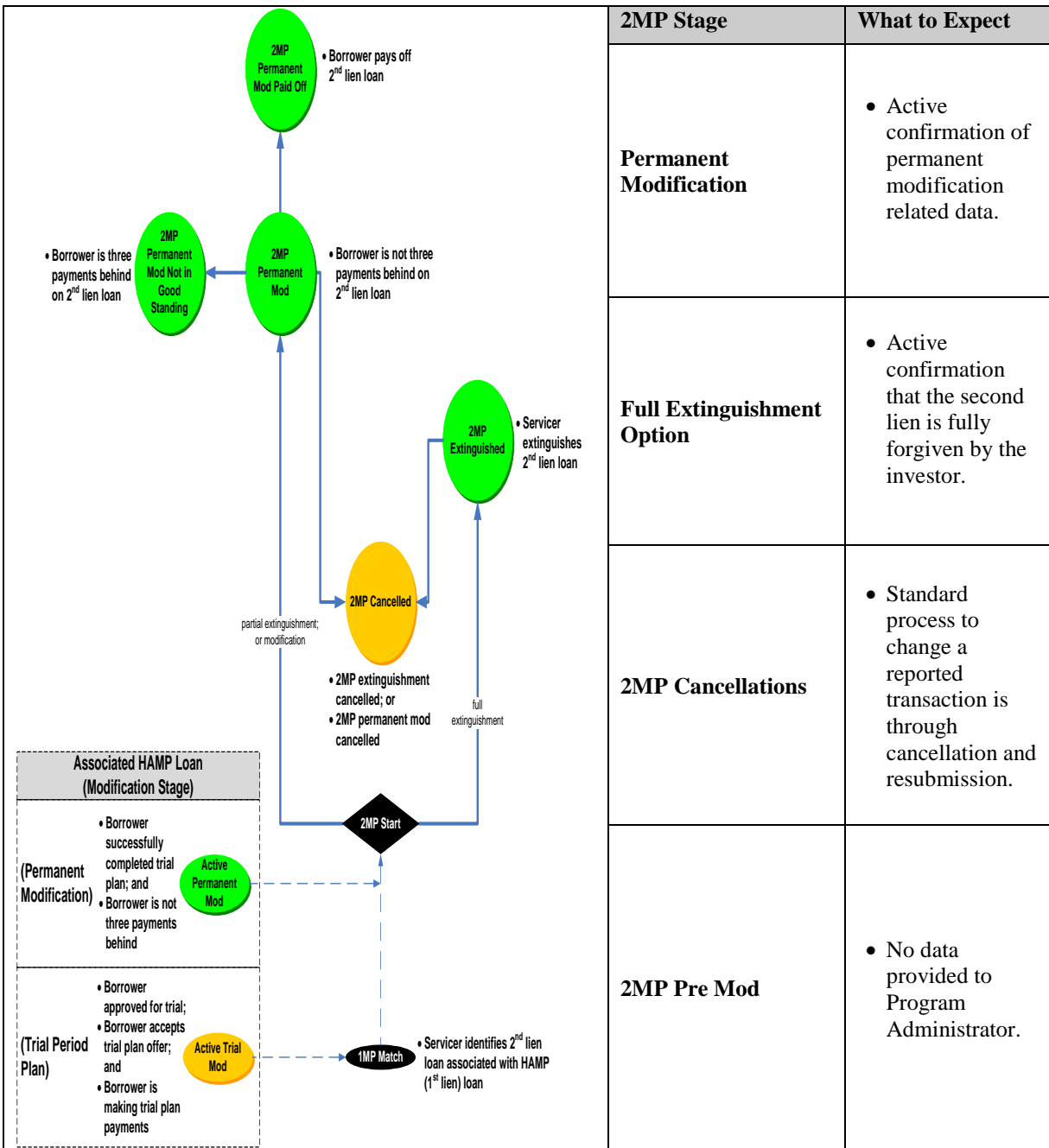
The Second Lien Modification Program (2MP) is designed to work in tandem with HAMP. Under 2MP, when a borrower's first lien is modified under HAMP and the servicer of the second lien is a 2MP participant, that servicer must offer to modify the borrower's second lien by:

- Modifying the borrower's second lien mortgage;
- Accepting a lump sum payment from Treasury in exchange for full extinguishment of the second lien; or
- Accepting a lump sum payment from Treasury in exchange for a partial extinguishment and modifying the borrower's remaining second lien.

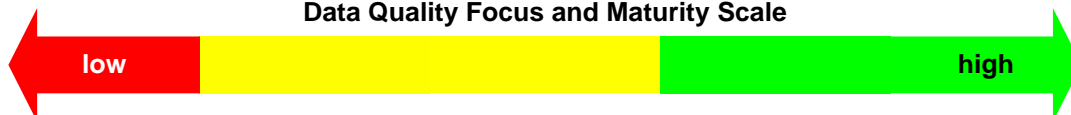
This provides a comprehensive solution to help borrowers achieve greater affordability by lowering payments on both mortgages.

There are four major stages of a modification as depicted in Exhibit C – Life of a 2MP Loan. Data availability and quality vary through the stages of the loan modification process

## Exhibit C – The Life of a 2MP Loan



### Data Quality Focus and Maturity Scale





## Pre 2MP Modification

As noted, when a borrower's first lien is modified under HAMP, the 2MP servicer must offer, if eligible, to modify or extinguish the corresponding second lien. The terms of the HAMP modification of the first lien will be used to determine the terms of the 2MP modification of the second lien.

## 2MP Cancellations

2MP servicers are required to report to the Program Administrator, all 2MP cancellations with the appropriate reason code. It should be noted that cancellations are also used as a means to correct data already reported to the Program Administrator. For loans requiring an update, a participating 2MP servicer must cancel the existing loan and resubmit the transaction using the correct data.

It should be noted that the current process for a loan undergoing a reporting transfer of a 2MP loan includes a cancellation by the transferor and a resubmission of the modification by the transferee. This may cause multiple instances of the same loan appearing in the data file.

## Full Extinguishment Option

As an alternative to modifying an eligible second lien, a 2MP servicer may elect to extinguish the second lien in exchange for a lump sum payment. The extinguishment of the second lien may not become effective unless the modification of the first lien becomes effective under HAMP.

Full extinguishment must be reported to the Program Administrator in the month in which the full extinguishment is effective.

## Permanent Modification

A 2MP permanent modification can become effective once the corresponding first lien permanent modification is effective and once the borrower has made all 2MP trial period payments, if required. 2MP servicers are required to follow the first lien modification steps to modify the second lien.

When applicable, a servicer may also offer a partial extinguishment of additional principal as part of the 2MP modification. This alternative can also be used instead of interest rate reduction.

Servicers are required to report 2MP permanent modification transactions the month in which the 2MP modification is effective. The borrower must sign the 2MP modification agreement within 30 calendar days from the date of the permanent 2MP offer. Participating servicers are required to report monthly payment activity beginning in the first month after the 2MP permanent modification is effective.

## Appendix A – Key Data Quality Themes and Observations

### Key Data Quality Themes and Observations

Throughout the course of the program, Treasury has undertaken several data initiatives to assess and improve the quality of data reported by the servicers to the Program Administrator. Participating servicers are required to maintain and report accurate records pertaining to MHA activity. To ensure that this is the case, the Program Administrator works with Servicers to improve the quality of the existing reported data and additionally implements incremental program edits to prevent further data issues from occurring. As a result, MHA program data is improving; however data anomalies continue to exist. These anomalies should be considered as they could limit the usability of the data and/or affect data interpretation.

Some common themes among those anomalies include:

#### **Theme 1: Inconsistent Data Formats Reported**

**Definition:** As described in the Data File Data Dictionary attached hereto as Appendix C, program guidelines specify all percentages are to be reported as integer values for First Lien Loan Modification. Due to the various external reporting systems and data entry methods, data are sometimes reported as decimals.

**Example:** A Mark to Market LTV of 152% is reported as ‘1.52’, (decimal) instead of ‘152’, (integer).

**Data Attributes Impacted in NPV Data Set:** Interest Rate after Modification, Interest Rate at Origination, Interest Rate before Modification, LTV at Origination (1<sup>st</sup> Lien Only), Mark to Market LTV, Mortgage Insurance Coverage Percent, Next ARM Reset Rate, Principal Reduction Alternative (PRA) Interest Rate after Modification

**Data Attributes Impacted in First Lien Loan Modification Data Set:** N/A

**Data Attributes Impacted in Second Lien Loan Modification Data Set:** N/A

#### **Theme 2: Unreasonable Data Ranges**

**Definition:** As described in the MHA Data File Data Dictionary and program guidelines or when compared to other modification attributes, data reported were not within a reasonable range. Outliers exist for some of the data elements listed below.

**Example:** Amortization Term before Modification is less than the Remaining Term before Modification.

**Data Attributes Impacted in NPV Data Set:** Advances/Escrow Amount, Amortization Term after Modification, Amortization Term at Origination, ARM Reset Date, Association Dues/Fees before Modification, Borrower Total Monthly Obligations, First Payment Date at Origination, Interest Rate after Modification, Interest Rate at Origination, Interest Rate before Modification,

LTV at Origination (1<sup>st</sup> Lien Only), Mark to Market LTV, Maximum Months Past Due in Past 12 Months, Modification Fees, Monthly Gross Income, Monthly Hazard and Flood Insurance, Monthly Real Estate Taxes, Months Past Due, Mortgage Insurance Coverage Percent, Mortgage Insurance Partial Claim Amount, Next ARM Reset Rate, NPV Model Result Amount Post-Mod, NPV Model Result Amount Pre-Mod, Principal and Interest Payment after Modification, Principal and Interest Payment before Modification, Principal Forbearance Amount, Principal Reduction Alternative (PRA) Amortization Term after Modification, Principal Reduction Alternative (PRA) Interest Rate after Modification, Principal Reduction Alternative (PRA) NPV Model Result Amount Post-Mod, Principal Reduction Alternative (PRA) NPV Model Result Amount Pre-mod, Principal Reduction Alternative (PRA) Principal and Interest Payment after Modification, Principal Reduction Alternative Principal Forbearance Amount, Principal Reduction Alternative (PRA) Principal Write-down (Forgiveness), Principal Reduction Alternative (PRA) Unpaid Principal Balance after Modification, Principal Write-down (Forgiveness), Property Valuation As Is Value, Remaining Term, Unpaid Principal Balance after Modification, Unpaid Principal Balance before Modification.

**Data Attributes Impacted in First Lien Loan Modification Data Set:** 1st Trial Payment Due Date, Amortization Term before Modification, Back Ratio after Modification, Back Ratio before Modification, Interest Rate after Modification, Interest Rate before Modification, Last Paid Installment Date before Modification, Max Interest Rate after Modification, Principal Forbearance Amount, Principal Write-down (Forgiveness), Remaining Term before Modification

**Data Attributes Impacted in Second Lien Loan Modification Data Set:** Interest Payment, Loan Unpaid Principal Balance Amount, Max Interest Rate after Modification.

### **Theme 3: Misinterpretation of Data Requirements per Program Guidelines**

**Definition:** As described in the MHA Data File Data Dictionary, program guidelines detail the characteristics of a data attribute such as the attribute description, timing of when to report, conditionality, format and character limit and allowable values. Data may be reported based on an inaccurate interpretation of the attribute definition or a difference in the timing of the data.

**Example:** Association Dues/Fees before Modification is reported as an annual amount instead of a monthly amount during loan setup

**Data Attributes Impacted in NPV Data Set:** ARM Reset Date, Association Dues/Fees before Modification, Data Collection Date, First Payment Due at Origination, Imminent Default Flag, Monthly Gross Income, Monthly Hazard and Flood Insurance, Monthly Real Estate Taxes, Next ARM Reset Rate, NPV Date, Principal Reduction Alternative (PRA) Amortization Term after Modification, Principal Reduction Alternative (PRA) Interest Rate after Modification, Principal Reduction (PRA) NPV Model Result Amount Post-Mod, Principal Reduction Alternative (PRA) NPV Model Result Amount Pre-Mod, Principal Reduction Alternative (PRA) NPV Test Result, Principal Reduction Alternative (PRA) Principal and Interest Payment after Modification, Principal Reduction Alternative (PRA) Principal Forbearance Amount, Principal Reduction Alternative (PRA) Principal Write-down (Forgiveness), Principal Reduction Alternative (PRA) Unpaid Principal Balance after Modification, Product before Modification

**Data Attributes Impacted in First Lien Loan Modification Data Set:** Front Ratio before Modification, Monthly Housing Expense after Modification, Monthly Housing Expense before Modification, Principal and Interest Payment at 31% DTI, Principal and Interest Payment at 38% DTI, Principal and Interest Payment before Modification,

**Data Attributes Impacted in Second Lien Loan Modification Data Set:** N/A

**Theme 4: Default values are reported when data is not available or not properly set up for reporting.**

**Definition:** Data may be reported with default values from external reporting systems. Required data is often not available as it has not been verified or it is not yet updated to reflect accurate values.

**Example:** Mark to Market LTV is reported as 0.

**Data Attributes Impacted in NPV Dataset:** Mark-to-Market LTV, Property Valuation As Is Value

**Data Attributes Impacted in First Lien Loan Modification Data Set:** Escrow Payment before Modification,

**Data Attributes Impacted in Second Lien Loan Modification Data Set:** N/A

**Theme 5: Data Inconsistencies When Compared Across Various Data Attributes or Data Sets**

**Definition:** There is a subset of data attributes across the data sets that while similar in definition, may vary due to timing of reporting or purpose of collection. Any comparison of these cross data set attributes or use of cross data set attributes to perform recalculations of other attributes may produce unexpected results due to the difference in timing or purpose of the specific attributes.

**Example:** Monthly Housing Expense before Modification = Principal and Interest Payment before Modification + Escrow Payment before Modification + Association Dues/Fees; or Principal and Interest before Modification from the NPV Data Set does not equal the Principal and Interest Payment before Modification from the First Lien Loan Modification Data Set.

**Data Attributes Impacted in NPV Data Set:** Amortization Term after Modification, Amortization Term at Origination, ARM Reset Date, Association Dues/Fees before Modification, Date Collection Date, Interest Rate after Modification, Interest Rate before Modification, Investor Code, Monthly Gross Income, Monthly Hazard and Flood Insurance, Monthly Real Estate Taxes, Months Past Due, Next ARM Reset Date, NPV Date, NPV Model Result Amount Post-mod, NPV Model Result Amount Pre-mod, NPV Test Result, Principal and Interest Payment after Modification, Principal and Interest Payment before Modification, Principal Forbearance Amount, Principal Reduction Alternative (PRA) NPV Model Result Amount Post-Mod, Principal Write-down (Forgiveness), Product before Modification, Property

Valuation As Is Value, Remaining Term, Unpaid Principal Balance after Modification. Unpaid Principal Balance before Modification

**Data Attributes Impacted in First Lien Loan Modification Data Set:** Amortization Term before Modification, Amortization Term after Modification, Amount Capitalized, Association Dues/Fees before Modification, Back Ratio after Modification, Escrow Payment after Modification, Escrow Payment before Modification, Front Ratio after Modification, Front Ratio before Modification, Interest Rate after Modification, Interest Rate before Modification, Monthly Gross Income, Monthly Housing Expense after Modification, Monthly Housing Expense before Modification, NPV Date, NPV Model Result Amount Post-Mod, NPV Model Result Amount Pre-Mod, Principal and Interest Payment after Modification, Principal and Interest Payment at 31% DTI, Principal and Interest Payment at 38% DTI, Principal and Interest Payment before Modification, Principal Forbearance Amount, Principal Reduction Alternative (PRA) Code, Principal Reduction Alternative Amount, Principal Reduction Alternative (PRA) NPV Model Result Amount Post-Mod, Principal Write-down (Forgiveness), Property Valuation As Is Value, Unpaid Principal Balance After Modification, Unpaid Principal Balance Before Modification.

**Data Attributes Impacted in Second Lien Loan Modification Data Set:** Amortization Type before Modification or Extinguishment Code, Amount Capitalized, Interest Only End Date, Principal Write-down (Forgiveness), Product after Modification, Step Interest Rate Step Number, Step New Interest Rate Duration, Step Note Rate, Step Payment Effective Date, Step Principal and Interest Payment, Unpaid Principal Balance after Modification, Unpaid Principal Balance before Modification or Extinguishment

#### **Theme 6: Availability of Data**

**Definition:** With the evolution of the program, changes in reporting requirements often occur. Servicer implementation of new reporting requirements often lags adoption of policy changes. In addition not all changes to program requirements require retroactive reporting. As a result, gaps may exist in modification data.

**Example:** Trial Fallout Reason Code is blank for a cancelled trial modification with an effective date of October 1, 2010.

**Data Attributes Impacted in NPV Data Set:** NPV Date

**Data Attributes Impacted in First Lien Loan Modification Data Set:** Permanent Modification Cancellation Reason Code, Trial Fallout Reason Code, Trial Not Approved/Not Accepted Reason Code.

**Data Attributes Impacted in Second Lien Loan Modification Data Set:** Amount Capitalized

**Appendix B:**  
**MHA Reason Codes and Definitions**

MHA Reason Code		Description	Outcome
HAMP Reason Codes			
1	Ineligible Mortgage	Loan is not eligible for modification under the MHA program because it does not meet one or more of the following basic program eligibility criteria: <ul style="list-style-type: none"> <li>• Mortgage loan must be a first lien mortgage loan originated on or before January 1, 2009.</li> <li>• Current unpaid principal balance (UPB) of the mortgage loan prior to capitalization must be no greater than \$729,750 for a one-unit property; \$934,200 for a two-unit property; \$1,129,250 for a three-unit property; or \$1,403,400 for a four-unit property.</li> </ul>	Trial is Cancelled
2	Ineligible Borrower - Current DTI Less than 31%	Borrower is not eligible for modification under the MHA program because their current monthly housing expense, which includes the monthly principal and interest payment on their first lien mortgage loan plus property taxes, hazard insurance and homeowner's dues (if any) is less than or equal to 31% of their gross monthly income (i.e. monthly income before taxes and other deductions).	Trial is Cancelled
3	Property Not Owner Occupied	Loan is not eligible for modification under the MHA program because the property secured by the mortgage loan is not occupied by the borrower as their primary residence.	Trial is Disqualified
4	Other Ineligible Property (i.e. Property Condemned, Property > 4 units)	Loan is not eligible for modification under the MHA program because the property secured by the mortgage loan is vacant, is condemned or has more than four dwelling units.	Trial is Disqualified
5	Investor Guarantor Not Participating	Loan cannot be modified under the MHA program because the investor of the subject mortgage loan has not provided contractual authority to modify the loan; the private mortgage insurance company insuring the subject mortgage loan has not approved the modification; or the guarantor of the subject mortgage loan has not approved the modification.	Not applicable for Trial Fallout; Applies to Non-Acceptances
6	Court/Public Official Declined	Loan is not eligible for modification under the MHA program because proposed modified terms were not approved by a court or public official.	Not applicable for Trial Fallout; Applies to Non-Acceptances

MHA Reason Code		Description	Outcome
HAMP Reason Codes			
7	Negative NPV	Loan is not eligible for modification under the MHA program because the result of the standardized Net Present Value (NPV) is "negative". The standardized NPV test compares the NPV result for a modification to the NPV result for no modification. If the NPV result for no modification is greater than NPV result for the modification scenario, the modification result is deemed "negative".	Trial is Cancelled
8	Offer Not Accepted by Borrower / Request Withdrawn	Borrower withdrew their modification request for consideration for either a Trial Period Plan or HAMP modification or did not accept either a Trial Period Plan or a HAMP modification offer. Failure of borrower to make the first trial period payment in a timely manner is considered non-acceptance of the Trial Period Plan.	Not applicable for Trial Fallout; Applies to Non-Acceptances
9	Default Not Imminent	Loan is not eligible for modification under the MHA program because the subject loan is not delinquent and default is not reasonably foreseeable.	Not applicable for Trial Fallout; Applies to Non-Acceptances
10	Previous Official HAMP Modification	Loan is not eligible for modification under the MHA program because the subject loan has been previously modified under the program.	Not applicable for Trial Fallout; Applies to Non-Acceptances
11	Loan Paid off or Reinstated	Loan is not eligible for modification under the MHA program because the subject loan was completely paid off and there is no longer a debt obligation or the subject loan was reinstated. If the loan was reinstated, the borrower may request reconsideration under the MHA program if they experience a subsequent financial hardship.	Trial is Disqualified
12	Excessive Forbearance	Loan is not eligible for modification under the MHA program because the principal forbearance required to achieve a payment of no more than 31% of the borrower's monthly income resulted in a forbearance amount that exceeds program guidelines.	Trial is Cancelled
13	Request Incomplete	Borrower requested a modification under the MHA program but did not provide the financial and/or hardship verification documentation required to complete the evaluation of their request in a timely manner. As part of the MHA program procedures, servicers provide the borrower with a notice listing all documents needed to complete the evaluation and a date by which the information must be received before the borrower can become eligible for the MHA program. If the borrower fails to provide all required verification documentation by the date provided, the borrower is not eligible for a modification.	Trial is Cancelled

MHA Reason Code		Description	Outcome
HAMP Reason Codes			
14	Trial Plan Default	Borrower accepted a Trial Period Plan under the MHA program but failed to make all the trial period payments in accordance with the Trial Period Plan and is in default.	Trial is Disqualified
19	Unemployment Forbearance Plan	Borrower accepted a Trial Period Plan under the MHA Program however prior to receiving a permanent modification has become unemployed and qualified for an unemployment forbearance program.	Trial is Cancelled
20	Federally Declared Disaster	Borrower accepted a Trial Period Plan under the MHA program however prior to receiving a permanent modification has been impacted by a Federally Declared Disaster that has qualified them for a forbearance period.	Trial is Cancelled



MHA Reason Code		Description	Outcome
2MP Reason Codes			
15	Data Correction	Servicer cancelled the modification in order to correct data.	Permanent is Cancelled
16	Payor Request	The payor, which may be Treasury, Fannie Mae, or Freddie Mac requested the modification be cancelled.	Permanent is Cancelled
17	Compliance Request	MHA-Compliance requested the modification be cancelled.	Permanent is Cancelled
18	Submission Error Correction (Incorrect Transaction Type)	Servicer cancelled the modification because the wrong transaction type was submitted.	Permanent is Cancelled

MHA Reason Code		Description	Outcome
FHA-HAMP and RD-HAMP Reason Codes			
1	Ineligible Mortgage	<p>Loan is not eligible for modification under the MHA program because it does not meet one or more of the following basic program eligibility criteria:</p> <ul style="list-style-type: none"> <li>• Mortgage loan must be a first lien mortgage loan originated on or before January 1, 2009.</li> <li>• Current unpaid principal balance (UPB) of the mortgage loan prior to capitalization must be no greater than \$729,750 for a one-unit property; \$934,200 for a two-unit property; \$1,129,250 for a three-unit property; or \$1,403,400 for a four-unit property.</li> </ul>	Trial is Cancelled
14	Trial Plan Default	Borrower accepted a Trial Period Plan under the MHA program but failed to make all the trial period payments in accordance with the Trial Period Plan and is in default.	Trial is Disqualified
15	Data Correction	Servicer cancelled the modification in order to correct data.	Permanent is Cancelled
16	Payor Request	The payor, which may be Treasury, Fannie Mae, or Freddie Mac requested the modification be cancelled.	Permanent is Cancelled
17	Compliance Request	MHA-Compliance requested the modification be cancelled.	Permanent is Cancelled
18	Submission Error Correction (Incorrect Transaction Type)	Servicer cancelled the modification because the wrong transaction type was submitted.	Permanent is Cancelled

MHA Reason Code		Description	Outcome
HAFA Reason Codes			
1	Agreement Expiration	The amount of time allowed for execution of the SS or DIL agreement has ended.	Agreement cancelled
2	Agreement Termination	The SS or DIL agreement was terminated because the terms of the SS or DIL agreement were not adhered to.	Agreement cancelled
3	Notification Cancellation	Servicer cancelled the SS or DIL notification because it was submitted in error or a correction was needed.	Notification is cancelled
4	Loan Setup Cancellation	Servicer cancelled the SS or DIL payment request because it was submitted in error or a correction was needed.	SS or DIL payment request is cancelled
5	Servicing Transfer of HAMP Loan	Servicer cancelled the SS or DIL setup because the related HAMP Modification is in the process of being transferred to another servicer.	Notification is cancelled
6	Payment of HAMP Loan	Property is not eligible for a SS or DIL under the MHA Program because the subject loan was completely paid off and there is no longer a debt obligation.	SS or DIL is cancelled
7	Other	Servicer cancelled the SS or DIL for a reason not of a type previously described.	SS or DIL is cancelled